

Taking ownership of a sustainable future

Three CEOs offer lessons on their pursuit of sustainability.

by *CB Bhattacharya*

At the height of his career in 1994, Ray Anderson, the former CEO of carpet manufacturer Interface, was asked by a customer: “What is your company doing for the environment?” This question would come to define the rest of his life and what he would later call his “midcourse correction.” Anderson discovered for the first time that Interface was doing more harm than good to the environment and came to describe himself as a “plunderer.” Awakened and with an urgent need to set a new course for Interface, he committed the company to becoming the world’s first environmentally sustainable—and, ultimately, restorative—carpet manufacturer, shaking the foundations of the petroleum-intensive carpet-manufacturing industry in the process. Thereafter, he went on a quest to prove that sustainability was not just the right thing to do but also the smart thing to do. He set aggressive zero targets in many areas: zero waste to landfill, zero fossil fuel energy use, zero process water use, and zero greenhouse-gas emissions. Today, Interface is a “mission zero” company with zero environmental footprint.

Anderson’s story illuminates a visceral need at the heart of leadership: to drive change for the better. Confronted daily with media reports about COVID-19, the resulting economic crisis, and the ongoing climate-change challenge, some corporate leaders today find themselves asking how much they can do and whether what they are doing is enough. When it comes to sustainability, despite genuine interest, many still suffer from collective inertia—waiting or hoping for other companies or governments to respond; simply not knowing where to start; or not fully recognizing how much more of a difference they could make.

After numerous interviews with top-level executives, senior managers, and a host of employees from dozens of publicly listed companies across the world, my research revealed that senior leaders making real progress on the sustainability front are those who tackle it with what organizational psychologists refer to as an ownership mentality. Simply put, they “own” the problem and then extend and infuse the feelings of ownership and connection across their organization and to the external world.¹

¹ Organizational scholars define psychological ownership as the feelings of possessiveness and connection that we develop toward an appealing object, such as a person, company, or even an idea. We express these feelings with terms like “my,” “mine,” and “our.”

Ownership is an inherent part of the human condition; as Jean-Paul Sartre famously said: we are what we have.² By taking ownership of sustainability, and by instilling that sense of ownership among colleagues across the organization and beyond, leaders can create meaningful solutions to the complex problems we face today. The journey to sustainability ownership varies from leader to organization. But we can get a useful sense of these journeys through the stories of pathfinding CEOs, some of whom I interviewed for my latest book, *Small Actions, Big Difference* (Routledge, October 2019). In what follows, you'll find lessons distilled from the journeys taken by Enel CEO Francesco Starace, former Coca-Cola Enterprises³ chairman and CEO John F. Brock, and former Unilever CEO Paul Polman, each of whom illustrates different facets of the dramatic and lasting impact that can emerge when leaders own sustainability. As you read their stories, ask yourself: What might your particular quest look like, and how will you own up to it?

Enel's CEO on facing reality with purpose

Francesco Starace, chief executive of Enel, a company transformed under his leadership from a large, traditional electric utility into a renewable-energy powerhouse, told me a story from the 1980s, when he was still a middle manager, in a remote corner of the Middle East, building a power plant with a team of engineers. His company at the time was transporting crude oil to power the plant, one truck at a time. This had him scratching his head. "You had all the trucks coming down, unloading the oil to fuel the plant. And there was a transmission line from the plant—but there was no load to feed,"⁴ Starace recalled.

After looking into the matter a bit, Starace discovered that the power plant was the cornerstone of a dubious social-engineering effort. "The idea was that the whole area needed to be electrified. Houses needed to be built, air-conditioning needed to be put in these houses, so that the nomad tribes living in the area would finally stop moving around and sit in these air-conditioned homes and watch TV." None of it made any sense to him—neither the social experiment itself nor the building of a power plant to fuel it—and he could further see that the idea of trucking in fuel oil to the desert was hardly sustainable.

Decades later, he remembers this experience as an epiphany: it was the first time he had begun thinking about the sustainability of an energy company, about how it fit into a bigger picture, about whether its approach could be sensibly carried forward into the future. At this moment, with this experience in a remote part of the desert, a spur formed that began digging into his flank thereafter. He began broadening his view of corporate purpose to extend beyond profit. He began weighing financial interest against its social and environmental costs and effects. And, before long, he came to realize that an energy company's business could not center around the cultivation of new habits in specific groups of people simply to boost their consumption of electricity. Instead, an energy company's business had to involve asking these groups what use they could

² The philosopher Jean-Paul Sartre once wrote, "The totality of my possessions reflects the totality of my being. I am what I have. . . . What is mine is myself." Jean-Paul Sartre, *Being and Nothingness: A Phenomenological Essay on Ontology*, trans. Hazel E. Barnes, New York, NY: Washington Square Press, 1956.

³ In May 2016, Coca-Cola Enterprises merged with two other Coca-Cola bottling plants to create Coca-Cola European Partners, the largest independent Coca-Cola bottler based on revenues. John Brock stepped down as CEO at the end of 2016.

⁴ The load of a power plant is the level of demand for electricity from customers.

make of electricity. He began to rethink why an energy company does what it does, and for whom, and for what purpose. He began broadening his understanding of why business exists in society and realized that businesses are worth preserving to the extent that they contribute to causes bigger than themselves. And from this insight a guideline emerged: businesses must put purpose before profit.

As his career progressed, Starace came to further see that purpose and profit were in fact closely aligned. He saw how purpose, contoured with the values and mindsets of sustainability, could in fact drive profit. From there, his own role became clear, too: it was up to him to own the journey that would take his company from one driven solely by profit to one in which purpose fueled profitability. He explained to me when we spoke that “it’s not because we want to change things that we do it; we do it because it is the only thing we can do going forward, there is no other alternative.”

This journey from real-world epiphany to questioning a company’s purpose is one that many of the top executives I interviewed have encountered. Personal experience often has more impact on a person’s behavior than a rational argument or an abstract concept. Working in communities affected by climate change, going to the front lines to see firsthand how employees are affected by a company’s safety standards, and talking to employees about their future and the future of their children and grandchildren—these are all time-tested ways in which newfound purpose comes to life. Crossing an emotional barrier, as Starace did in the 1980s, and identifying with a company’s purpose in a new and very personal way enables leaders to build their sense of sustainability ownership and address the critical problems of our world. Ultimately, as Starace told me, “You have to face up to the facts about why you do what you do.”

That process is an ongoing one for leaders with an ownership mindset. When I recently asked Starace about the turbulence facing Enel from COVID-19, he proclaimed that this is not the time to back away from renewable energy but rather to double down on it and focus the recovery on the right set of tools moving forward. He believes the pandemic has been “a big accelerator of a trend that was there already—the trend to shift the energy supply into electricity, an energy form that can be decarbonized.”⁵

Actions speak louder than words for the former CEO of Coca-Cola Enterprises

John Brock, then CEO of Coca-Cola Enterprises (CCE, now Coca-Cola European Partners), told me in 2015: “If you go back ten years, the question was, ‘What the hell’s a carbon footprint?’ I mean, ten years ago, it was not even on the radar, except in limited circles.” Today, calculating carbon footprints not only is popular for companies but has gained traction among individuals, too. Brock describes his sustainability journey as a long personal commitment that morphed and changed over time starting back in the 1980s while he was at Cadbury-Schweppes in London. “It’s fair to say my definition of sustainability at the time was meaningfully narrower than it is today.” Previously focused on simply making good decisions for the future of the planet, Brock describes his evolution of thinking to incorporate social issues such as gender and ethnic diversity and community

⁵ *Sustaining Sustainability*, episode 3, “Leading an energy company in the COVID-19 era—with Francesco Starace,” University of Pittsburgh Center for Sustainable Business, April 24, 2020, sustainablebusiness.pitt.edu.

service and well-being: “Being responsible and relevant to the communities in which we operate. And working with them to help understand what we can do and they can do together.”

When I asked, “What do you need to get sustainability going?” Brock’s response to leaders was clear: decide what’s important, communicate it, and act on it. “If you have the personal commitment but aren’t willing to invest the time, money, and resources, it’s not going to happen. And if you don’t have the personal commitment, even if you invest the time, money and resources, it won’t happen.” Brock himself was known for pounding his message of sustainability every chance he could. “I don’t ever give a speech—and frankly nor do any of my senior team members—without talking about sustainability. It’s just a constant pound, pound, pound.”

Turning personal commitment into action is one way to own the problem, but where to start? Sustainability is about myriad initiatives and projects, across every site a company has, in the back and front offices, and in any number of places beyond the office and factory walls. The number of potential priorities, and the exponential number of combinations, make this task very difficult and overwhelming, perhaps particularly in the very near term, as the COVID-19 crisis has rightly focused leaders’ attention on the lives and livelihoods of their employees and customers. In the face of these imperatives, it’s easier to do nothing on sustainability, or to continually push back the start date.

One way that leaders can break this impasse is by asking a series of questions aimed at establishing concrete priorities for a sustainable future: Where is the company’s growth likely to come immediately after crisis, as well as in the future? What new trends will affect demand for our products and supply of our raw materials? What do customers, employees, suppliers, and investors want from the business moving forward? The leadership team should also look at hard issues such as water use, waste generation, carbon-dioxide emissions, and labor conditions—and at the potential actions the team can take now that will support sustainability in a post-pandemic world.

This concretizing process gives leaders the chance to bring stakeholder views into the organization, and it allows senior leaders to become more forward-looking. Brock championed this process and, to reflect its importance, increased the frequency with which the board’s corporate-sustainability committee gathered from twice a year to every time the board met. “It’s the personal commitment, and then it’s turning that personal commitment—through whatever it takes—into action. That’s what has to happen.”

Unilever’s former CEO knows you can’t go it alone

Through his public actions and declarations as the former CEO of Unilever, it is clear that from the start of his career Paul Polman has had a deep sense of duty to society and the world. Intending to be a priest or doctor, he eventually settled on economics and business as the best way to improve people’s lives.⁶ But it was while looking into his children’s eyes that Polman’s desire to tackle climate change and inequality, to ensure their future well-being, gathered real urgency.⁷ Since then, he has been on a crusade,

⁶ “Paul Polman launches sustainability consulting firm Imagine,” Consultancy.org, July 17, 2019, consultancy.eu.

⁷ Jo Confino, “Moments of revelation trigger the biggest transformations,” *Guardian*, November 9, 2012, theguardian.com.

galvanizing support for sustainability. During our conversation, Polman explained, “Leadership for me is not just driving a company, [it’s] about making it do the right thing. It’s really about helping to transform entire markets and behaviors beyond those your own company is engaged in to the benefit of all.” True leadership in turbulent times is about having the vision and fortitude to establish a new normal.

Polman clearly sees the need for collective action. As he told me, “At the end of the day, the issues that we need to solve are so big that no one can do it alone.” Many of the top executives I spoke to agreed that an important first step to driving sustainability efforts is for leaders to move past individual ownership of very big problems and to turn them into collective-ownership issues. There are fewer and fewer problems specific to any one company, industry, or even country. As a result, global initiatives—preventing climate change, deforestation, or declining biodiversity—demand that we take a collective approach toward ownership. The COVID-19 crisis, which has highlighted the need for further cooperation among companies, supply chains, and governments, brings immediacy to this imperative.

Pulling off effective collaboration is tricky because of the systemic nature of these challenges, and the fact that solutions are often not apparent or straightforward. As Polman explained, “There’s a fine line between arrogance and self-confidence, between humility and humanity, when you implement programs with external collaborators.” The size and skill that large companies can bring to the table may at times inadvertently overpower the voices of others. Balancing the need to push progress at a steady pace without undermining your partners becomes ever more important to solving the problems at hand.

Polman went on to say: “Global warming is a complex issue not fully understood by many leaders. You have to be a very good systemic thinker to deal with it. Rather than worry about it, you need to think about how you are going to adapt your business model or how you can make transformational change happen.” The “how” becomes the most important thing, not the “what.” More recently, Polman further stressed the need for business leaders to take initiative: “We also don’t have the right level of cooperation at the global governance level to deal with these issues, and I hope that the business community will step up and fill that void.”⁸

Challenged with the existential crisis of our times, corporate leaders must avoid inertia and take ownership of sustainability. As in the examples here, through a journey of personal transformation, many leaders today are reimagining their company’s corporate purpose and the role of business in society and reinforcing the sense of sustainability ownership through a course of action both internally and externally that benefits not only people and planet but also profit. When you take ownership of sustainability, you bring to life a new leadership mandate for you and your top team. What are you waiting for?

⁸ *Sustaining Sustainability*, episode 4, “The urgency of collaboration—with Paul Polman,” University of Pittsburgh Center for Sustainable Business, May 1, 2020, sustainablebusiness.pitt.edu.

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